

ORIGINAL

NEW APPLICATION



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2010 AUG 10 P 3:25

AZ CORP COMMISSION
DOCKET CONTROL

Box 1 Inc.
dba Lazy C Water Service
P.O. Box 1
Tucson, AZ 85702

July 21, 2010

Docket Control
Arizona Corporation Commission
1200 West Washington
Phoenix, AZ

W-01536A-10-0337

Attached is an application by Box 1 Inc. dba Lazy C Water Service for an Extension of Certificate of Convenience and Necessity. The purpose of this application is to satisfy the request of an adjacent property owner for the inclusion in the Lazy C Water Service certificated area.


Robert J. Canfield

Arizona Corporation Commission

DOCKETED

AUG 10 2010

DOCKETED BY	NR
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ARIZONA CORPORATION COMMISSION

**APPLICATION FOR AN
EXTENSION
CERTIFICATE OF CONVENIENCE AND NECESSITY**

WATER AND/OR SEWER

- A. The legal name, mailing address and telephone number of the Applicant (Company) is:

Box 1 Inc.
P.O. Box 1 520-743-0758
Tucson, AZ 85702

- B. If the applicant operates under a "d.b.a." or under a name other than the Applicant (Company) name listed above, specify:

LAZY C WATER SERVICE

- C. List the full name, mailing address and telephone number of the management contact:

ROBERT J. CANFIELD, PO Box 1, Tucson,
AZ 85702, 520-743-0758

- D. List the full name, mailing address and telephone number of the attorney for the Applicant:

PATRICK FARRELL, ONE SOUTH CHURCH,
TUCSON, AZ 85701-1620 520-882-6400

- E. List the full name, mailing address and telephone number of the operator certified by the Arizona Department of Environmental Quality who is or will be working for the Applicant:

ROBERT J. CANFIELD, PO Box 1, Tucson,
AZ 85702, 520-743-0758

F. List the full name, mailing address and telephone number of the on-site manager of the utility:

Bob CANFIELD, PO Box 1, Tucson, AZ 85702
520-977-5872 520-743-0758

G. The Applicant is a:

<input checked="" type="checkbox"/> Corporation: ____ "C", ____ "S", ____ Non-Profit ____ Arizona, ____ Foreign	____ Partnership ____ Limited, ____ General ____ Arizona, ____ Foreign
____ Sole Proprietorship	____ Limited Liability Company (LLC)
____ Other (Specify)	

H. If Applicant is a corporation:

1. List full names, titles and mailing addresses of all Officers and Directors:

Officers

ROBERT J CANFIELD, PO Box 1, Tucson, AZ 85702 - PRESIDENT
ROBERT J CANFIELD II, 4929 N. LAK-AQUICCA Rd, Tucson, AZ 85743 - TREASURER
REBECCA C HUSER, 4820 W. KAY T DR, Tucson, AZ 85745 - SECRETARY

Directors

N/A

✓ Attach a copy of the corporation's "Certificate of Good Standing" issued by the Corporation's Division of the Arizona Corporation Commission.

✓ Attach a certified copy of the Articles of Incorporation.

✓ Attach a certified copy of the corporation's By-Laws.

5. If a for-profit corporation, indicate the number of shares of stock authorized for issue: 1,500,000

6. If stock has been issued, indicate the number of shares issued and date of issue:

450 shares

H. If the Applicant is a partnership: N/A

1. List the full name and mailing address of the general partners:

N/A

2. List the full name, address and telephone number of the managing partners:

N/A

3. Attach a copy of the Partnership's Articles of Partnership.

N/A

• If the Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" filed with the Arizona Secretary of State.

I. If the Applicant is a Limited Liability Company: N/A

1. List the full name and mailing address of all the Applicant's managers or, if management is reserved to the members, the Applicant's members:

N/A

2. Attach a copy of the Articles of Organization. N/A

J. List the legal name and mailing address of each other utility in which the applicant has an ownership interest:

N/A

☒ Provide a compliance status report from the Arizona Department of Environmental Quality ("ADEQ"), dated no more than 30 days of the CC&N extension application, for each water and wastewater systems as identified by a separate ADEQ Public Water & Wastewater System Identification number.

☒ Attach a legal description of the requested service area, expressed in terms of **CADASTRAL** (quarter section description) or **Metes and Bounds** survey. References to parcels and dockets will not be accepted.

☒ Attach a detailed map using the form provided as Attachment "B". Shade and outline the area requested. Also, indicate any other utility within the general area using different colors.

M. List the name of each county in which the requested extension area is located and a description of the area's location in relation to the closest municipality, which shall be named:

Pima County west of Tucson, AZ

☒ N. Attach a complete description of the facilities proposed to be constructed, including a preliminary engineering report with specifications in sufficient detail to describe each water system and the principal components of each water system (e.g., source, storage, transmission lines, distribution lines, etc.) to allow verification of the estimated costs provided under subsection (B)(5)(o) and verification that the requirements of the Commission and the Arizona Department of Environmental Quality can be met.

☒ O. Provide the estimated total construction cost of the proposed offsite and onsite facilities, including documentation to support the estimates, and an explanation of how the construction will be financed, such as through debt, equity, advances in aid of construction, contributions in aid of construction, or a combination thereof.

☒ P. Explain the method of financing utility facilities. Refer to the instructions, item no. 7. (Use additional sheets if necessary):

☒ Attach financial information in a format similar to Attachment "C". Include current assets and liabilities, an income statement, estimated revenue and expenses and the estimated value of the applicant's utility plant in service for the first five years following approval of the application.

☒ Provide a detailed description of the proposed construction timeline for facilities with estimated starting and completion dates and, if construction is to be phased, a description of each separate phase of construction.

☒ Provide a copy of any requests for service from persons who own land within the proposed extension area, which shall identify the applicant by name.

☒ Provide maps of the proposed extension area identifying:

☒ The boundaries of the area, with the total acreage noted;

☒ The land ownership boundaries within the area, with the acreage of each separately owned parcel within the area noted; **ALL OWNED BY ONE OWNER**

☒ The owner of each parcel within the area;

☒ Any municipality corporate limits that overlap with or are within five miles of the area;

☒ The service area of any public service corporation, municipality, or district currently providing water or wastewater service within one mile of the area, with identification of the entity providing service and each type of service being provided;

☒ The location within the area of any known water service connections that are already being provided service by the applicant;

☒ The location of all proposed developments within the area;

☒ The proposed location of each water system and the principal; and

☒ The location of all parcels for which a copy of a request for service has been submitted.

☒ Provide a copy of each notice to be sent, as required, to a municipal manager or administrator.

☒ A copy of each notice sent, as required, to a landowner not requesting service. **notice in public news paper.**

☒ For each landowner not requesting service, provide either the written response received from the landowner or, if no written response was received, a description of the actions by the applicant to obtain a written response.

☒ Attach proposed Tariffs using either the water or sewer format of Attachment "D", unless the Utilities Division, prior to the filing of this application, approves another form. **on file**

~~Y.~~ Attach the following permits (if any of these permits have not yet been obtained, please provide the status of their application):

~~N/A~~ 1. The franchise from either the City or County for the area requested.

~~N/A~~ 2. The Arizona Department of Environmental Quality (or its designee's) approval to construct facilities.

~~N/A~~ 3. (SEWER ONLY) Copy of the Aquifer Protection Permit issued by ADEQ.

~~N/A~~ 4. The Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

~~N/A~~ 5. Any U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

~~6.~~ (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of the utility's Designation of an Assured Water Supply, or the developer's Certificate of Assured Water Supply issued by the Arizona Department of Water Resources, whichever applies.

a. If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources, if applied for by the developer.

b. If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detail to prove that adequate water exists to provide water to the area requested.

~~N/A~~ 7. Provide a copy of your estimated property taxes. This may be obtained by contacting the Arizona Department of Revenue, Division of Property Valuation and Equalization. You must provide them with a five (5) year projection of the original cost of the plant, depreciation expense, the location of the property and the school district.

~~7.~~ Indicate the estimated number of customers, by class, to be served in each of the first five years of operation. Include documentation to support the estimates.

Residential:

First Year / Second Year / Third Year / Fourth Year / Fifth Year /

Commercial:

First Year Second Year Third Year Fourth Year Fifth Year

N/A **Industrial:**

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

N/A **Irrigation:**

First Year _____ Second Year _____ Third Year _____ Fourth Year _____ Fifth Year _____

AA. Indicate the projected annual water consumption or sewerage treatment, in gallons, for each of the customer classes for each of the first five years of operation:

Residential:

First Year 119,000
Second Year 119,100
Third Year 119,500
Fourth Year 119,000
Fifth Year 119,000

N/A **Industrial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Commercial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Irrigation:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

BB. Indicate the total estimated annual operating revenue for each of the first five years of operation:

Residential:

First Year 876.00
Second Year 900.00
Third Year 900.00
Fourth Year 900.00
Fifth Year 900.00

N/A **Industrial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Commercial:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A **Irrigation:**

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

CC. Indicate the total estimated annual operating expenses for each of the first five years of operation:

Residential:

First Year 100.00
Second Year 100.00
Third Year 100.00
Fourth Year 120.00
Fifth Year 120.00

N/A Industrial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A Commercial:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A Irrigation:

First Year _____
Second Year _____
Third Year _____
Fourth Year _____
Fifth Year _____

N/A DD. Attach an itemized list of the major components of the water or sewer system (see Attachment C-3).

EE. Indicate the total estimated cost to construct utility facilities: N/A

FF. Provide a description of how water and/or wastewater service is to be provided in the proposed extension area and the name of each water and wastewater service provider for the area, if any.

N/A GG. Provide a letter from each wastewater service provider identified under subsection (B)(5)(aa), confirming the provision of wastewater service for the proposed service area or extension area.

HH. Provide plans for or a description of water conservation measures to be implemented in the proposed service area or extension area, including, at a minimum:

- i. A description of the information about water conservation or water saving measures that the utility will provide to the public and its customers;
- ii. A description of how the applicant will work with each wastewater service provider identified under subsection (B)(5)(aa) to encourage water conservation;
- iii. A description of the sources of water that will be used to supply parks, recreation areas, golf courses, greenbelts, ornamental lakes, and other aesthetic water features;
- iv. A description of any plans for the use of reclaimed water;
- v. A description of any plans for the use of recharge facilities;
- vi. A description of any plans for the use of surface water; and
- vii. A description of any other plans or programs to promote water conservation;

tiered water rates - see attachment

PROFORMA INCOME STATEMENT (WATER)

	<u>YR ONE</u>	<u>YR TWO</u>	<u>YR THREE</u>
REVENUE:			
Water Sales	<u>876.00</u>	<u>900.00</u>	<u>900.00</u>
Establishment Charges	<u> </u>	<u> </u>	<u> </u>
Other Operating Revenue	<u> </u>	<u> </u>	<u> </u>
Total Operating Revenue	\$ <u>876.00</u>	\$ <u>900.00</u>	\$ <u>900.00</u>
OPERATING EXPENSES:			
Salaries and Wages	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Purchased Water	<u> </u>	<u> </u>	<u> </u>
Power Costs	<u> </u>	<u> </u>	<u> </u>
Water Testing	<u> </u>	<u> </u>	<u> </u>
Repairs and Maintenance	<u> </u>	<u> </u>	<u> </u>
Office Supplies Expense	<u> </u>	<u> </u>	<u> </u>
Outside Services	<u> </u>	<u> </u>	<u> </u>
Rents	<u> </u>	<u> </u>	<u> </u>
Transportation Expense	<u> </u>	<u> </u>	<u> </u>
Taxes Other than Property and income	<u> </u>	<u> </u>	<u> </u>
Depreciation	<u> </u>	<u> </u>	<u> </u>
Health and Life Insurance	<u> </u>	<u> </u>	<u> </u>
Income Taxes	<u> </u>	<u> </u>	<u> </u>
Property Tax	<u> </u>	<u> </u>	<u> </u>
Miscellaneous Operating	<u> </u>	<u> </u>	<u> </u>
Total Operating Expense	\$ <u>100.00</u>	\$ <u>100.00</u>	\$ <u>100.00</u>
OPERATING INCOME OR (LOSS)	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
OTHER INCOME/EXPENSES:			
Interest Income	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
Other Income	<u> </u>	<u> </u>	<u> </u>
Other Expenses	<u> </u>	<u> </u>	<u> </u>
Interest Expenses	<u> </u>	<u> </u>	<u> </u>
TOTAL OTHER INCOME/EXPENSE	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
NET INCOME (LOSS)	\$ <u>776.00</u>	\$ <u>800.00</u>	\$ <u>800.00</u>

PROFORMA UTILITY PLANT IN SERVICE (WATER)
FIRST YEAR

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ _____	\$ _____	\$ _____
Franchises	_____	_____	_____
Land and Land Rights	_____	_____	_____
Wells and Springs	<u>23,100</u>	<u>12,213</u>	<u>10,887</u>
Electric Pumping Equip.	<u>392,54</u>	<u>25,273</u>	<u>13,981</u>
Water Treat. Equip.	_____	_____	_____
Distribution Reservoirs and Standpipes	<u>13,589</u>	_____	_____
Transmission & Dist. Mains	<u>220,349</u>	<u>30,080</u>	<u>190,269</u>
Services	<u>1,994</u>	_____	_____
Meters	<u>14,704</u>	_____	_____
Hydrants	<u>589</u>	_____	_____
Other Plant Structures and Improvements	<u>11,847</u>	_____	_____
Office Furniture and Fixtures	<u>1,565</u>	_____	_____
Transportation Equipment	<u>38,000</u>	<u>18,009</u>	<u>19,991</u>
Tools and Work Equipment	<u>24,837</u>	_____	_____
Laboratory Equipment	_____	_____	_____
Power Operated Equipment	_____	_____	_____
Communication Equipment	_____	_____	_____
Other Tangible Plant	_____	_____	_____
TOTAL PLANT IN SERVICE	\$ <u>389,808</u>	\$ <u>85,515</u>	\$ <u>235,128</u>

- ✓ VI. Provide a backflow prevention tariff that complies with Commission standards, if not already on file. *on file*
- ✓ VII. Provide a curtailment tariff that complies with Commission standards, if not already on file. *on file*
- ✓ VIII. Provide a copy of a Physical Availability Determination, Analysis of Adequate Water Supply, or Analysis of Assured Water Supply issued by the Arizona Department of Water Resources for the proposed service area or extension area or, if not yet obtained, the status of the application for such approval;

Robert J. Canfield
(Signature of Authorized Representative)

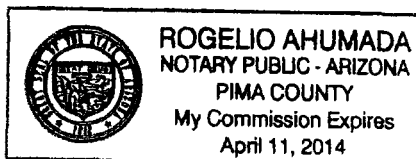
Robert J. Canfield
(Type or Print Name Here)

President
(Title)

SUBSCRIBED AND SWORN to before me this 3RD day of AUGUST, 20 10

Rogelio Ahumada
NOTARY PUBLIC

My Commission Expires 4/11/2014



ORDER

IT IS THEREFORE ORDERED that Lazy C Water Service is hereby directed to file with Docket Control, as a compliance item in this docket, within 30 days of the effective date of this Decision, revised rate schedules setting forth the following rates and charges:

MONTHLY USAGE CHARGE:

5/8" x 3/4" Meter	\$ 19.00
3/4" Meter	28.28
1" Meter	47.50
1-1/2" Meter	75.00
2" Meter	150.80
3" Meter	301.60
4" Meter	471.25
6" Meter	942.50

COMMODITY RATES:

(per 1,000 Gallons)	\$2.45
0-3,000 gallons	4.00
3,001 - 9,000 gallons	5.50
Over 9,000 gallons	5.50
Standpipe (per 1,000 gallons)	

SERVICE LINE AND METER INSTALLATION CHARGES:

	<u>Service Line Charge</u>	<u>Meter Installation</u>	<u>Total</u>
5/8" x 3/4" Meter	\$420.00	\$108.00	\$ 528.00
3/4" Meter	395.00	197.00	592.00
1" Meter	430.00	246.00	676.00
1-1/2" Meter	505.00	457.00	962.00
2" Meter	716.00	890.00	1,606.00
3" Meter	855.00	1,362.00	2,217.00
4" Meter	1,255.00	2,255.00	3,510.00
6" Meter	1,990.00	4,556.00	6,546.00
Over 6"	Actual Cost	Actual Cost	Actual Cost

SERVICE CHARGES:

Establishment	\$20.00
Establishment (After Hours)	33.00
Reconnection (Delinquent)	20.00
Meter Test (If Correct)	33.00
Deposit	*
Deposit Interest	**
Re-Establishment (Within 12 Months)	***
NSF Check	\$20.00
Deferred Payment	N/A
Meter Re-Read (If Correct)	\$15.00
Late Payment Charge-Per-Month	N/A
Charge for Moving Meter	Minimum Cost

MONTHLY SERVICE CHARGE FOR FIRE SPRINKLER:

4" or Smaller	****
6"	
8"	
10"	
Larger than 10"	

* Per Commission Rule A.A.C. R14-2-403(B)(7).

** Per Commission Rule A.A.C. R14-2-403(B)(3).

*** Months off system times the monthly minimum A.A.C. R14-2-403(D).

**** 2.00% of Monthly Minimum for a Comparable Sized Meter Connection; but no less than \$10.00 per month. The Service Charge for Fire Sprinklers is only applicable for service lines separate and distinct from the 'primary water service line.

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Ernest G. Johnson, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****BOX 1, INC.*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on June 16, 1995.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 21st Day of July, 2010, A. D.



Executive Director

By: Christy K. Parker

AZ. CORP. COMMISSIO.
FOR THE STATE OF AZ.

JUN 16 2 57 PM '95
DATE *6-19-95*
FEE
0751486-6

ARTICLES OF INCORPORATION

of

BOX 1, INC.

I. NAME

The name of the corporation is BOX 1, INC.

II. PURPOSE

The purpose for which the corporation is organized is the transaction of any and all lawful business for which corporations may be incorporated under the laws of the state of Arizona, as they may be amended from time to time, and specifically, but not in limitation thereof, the purpose of the ownership and operation of Lazy C Water Service and real property investment and development, and any and all other businesses of any type whatsoever growing out of, related to or in any manner whatsoever in connection with any of the items, businesses, relationships, purposes or powers described in these Articles. No enumeration herein set forth shall in any manner be deemed to be exclusive of object or purpose not enumerated, but on the contrary, such enumerations shall be construed as including all other and further objects and purposes of the same or similar type or character, regardless of how thin, vague or indefinite the relationship may be.

III. INITIAL BUSINESS

The corporation initially intends to conduct the business of the ownership and operation of Lazy C Water Service.

IV. AUTHORIZED CAPITAL

The corporation shall have the authority to issue One Million (1,000,000) shares of common stock, par value One (\$1.00) Dollar per share.

V. STATUTORY AGENT

The name and address of the initial statutory agent of the corporation is ROBERT J. CANFIELD, 4802 West Kay Tee Drive, P. O. Box 1, Tucson, Arizona 85702.

VI. KNOWN PLACE OF BUSINESS

The known place of business of the corporation shall be 4802 West Kay Tee Drive, P. O. Box 1, Tucson, Arizona 85702.

003522

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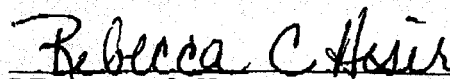
PICKUP

AMOUNT PAID \$ 9.00

DEC 1 1961

IN WITNESS WHEREOF, the undersigned incorporators have hereunto set their hands this 14th day of June, 1995.


ROBERT J. CANFIELD


REBECCA C. HISER

ACKNOWLEDGEMENT OF APPOINTMENT
AS STATUTORY AGENT

ROBERT J. CANFIELD, having been designated to act as Statutory Agent of BOX 1, INC., hereby consents to act in that capacity until his removal or resignation is submitted in accordance with the Arizona Revised Statutes.


ROBERT J. CANFIELD

VII. BOARD OF DIRECTORS

The business and affairs of the corporation shall be managed by the Board of Directors. The number of persons which shall constitute the whole Board of Directors shall not be less than one (1) nor more than ten (10). The specific number of persons on the Board of Directors shall be fixed, from time to time, by the Board of Directors in accordance with these Articles and the Bylaws of the corporation. Until the first annual meeting of shareholders, and until their successors shall have been elected and qualified, the initial Board of Directors shall consist of one (1) director, and the following person shall be the initial director of the corporation:

Robert J. Canfield
P. O. Box 1
Tucson, Arizona 85702

VIII. INCORPORATORS

The incorporators of the corporation are:

Robert J. Canfield
P. O. Box 1
Tucson, Arizona 85702

Rebecca C. Hiser
4820 West Kay Tee Drive
Tucson, Arizona 85702

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing.

IX. DISTRIBUTIONS FROM CAPITAL SURPLUS

The Board of Directors of the corporation may, from time to time, distribute on a pro rata basis to its shareholders, out of the capital surplus of the corporation, a portion of its assets in cash or property.

X. INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

The corporation shall indemnify any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the corporation in accordance with the procedures more specifically set forth in the Bylaws of the corporation. This indemnification shall be mandatory under all circumstances in which indemnification is permitted by law.

XI. REPURCHASE OF SHARES

The Board of Directors of the corporation may, from time to time, cause the corporation to purchase its own shares to the extent of the unreserved and unrestricted earned and capital surplus of the corporation.

BYLAWS

of

BOX 1, INC.

ARTICLE I

OFFICES AND RECORDS

The principal office of the Corporation in the State of Arizona shall be located in the City of Tucson, County of Pima, in which place the Corporation shall keep its books, documents and records. The Corporation may have such other offices either within or without the State of Arizona as the Board of Directors may designate or as the business of the Corporation may require from time to time, and in such case, the Corporation may keep its books, documents and records at such designated offices.

ARTICLE II

SHAREHOLDERS

Section 1. Persons Constituting. The shareholders of this Corporation shall be the holders of one or more shares of the common stock of the Corporation as shown by entry on the books of the Corporation.

Section 2. Place of Shareholders Meetings. All meetings of the shareholders shall be held at the place of business of the Corporation at Tucson, Pima County, Arizona, or at such other location as may be designated by the Board of Directors. The place at which any given meeting is to be held shall be specified in the notice of such meeting.

Section 3. Annual Meeting. The annual meeting of the shareholders of the Corporation shall be held at 10:00 a.m. on the second Tuesday of March of each year, if not a legal holiday, and if a legal holiday, on the next succeeding day not a legal holiday. The shareholders shall elect the directors of the Corporation and conduct such other business as they are authorized to transact at the annual meeting. Notice of the annual meeting shall be mailed to each shareholder as his or her address shall appear on the books of the Corporation for the purpose of notice, not less than ten (10) nor more than sixty (60) days before the date of the meeting. A full statement of the condition of the Corporation shall be made by the President at the annual meeting of the shareholders.

Section 4. Special Meetings. Special meetings of the shareholders of the Corporation may be called by the President of the Corporation or by a majority of the members of the Board of Directors, and shall be called by the President on the written request of the holders of not fewer than one-third of all the shares entitled to vote at the meeting. Notice of each special meeting, indicating briefly the purpose or purposes therefor, shall be given in the same manner as the notice of annual meetings. Special meetings may be held either at the principal office of the Corporation or at any other place within or without the State of Arizona which may be designated by the Board of Directors, or which shall be agreed to, before or after such meeting.

Section 5. Fixing Date for Determination of Shareholders of Record. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of the shareholders or any

adjournment thereof, or shareholders entitled to receive payment for any dividend, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors of the Corporation may fix, in advance, a record date, which shall not be more than seventy (70) nor less than ten (10) days before the date of such meeting, nor more than seventy (70) nor less than ten (10) days prior to any such other action. If no record date is so fixed, then the record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at 4:00 in the afternoon on the day before the day on which notice is given, or if notice is waived, at the commencement of the meeting.

Section 6. Voting Record. The officer or agent having charge of the stock transfer books for shares of the Corporation shall make, at least ten (10) days before each meeting of shareholders, a complete record of the shareholders entitled to vote at such meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of shares held by each. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof.

Section 7. Quorum. A majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. All shares represented and entitled to vote on any single subject matter which may be brought before the meeting shall be counted for the purposes of a quorum. Only those shares entitled to vote on a particular subject matter shall be counted for the purposes of voting on that subject matter. The act of the shareholders voting a majority of the shares, whether in person or by proxy, at a meeting at which a quorum is present shall be the act of the shareholders. If the holders of an amount of shares necessary to constitute a quorum shall fail to attend a meeting, in person or by proxy, a majority in interest of the shareholders present, in person or by proxy, may adjourn the meeting until holders of the amount of shares requisite to constitute a quorum shall attend. At such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called. In the case of adjournment for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

Section 8. Voting of Shares. At all meetings of the shareholders, a shareholder may vote either in person or by proxy executed in writing by the shareholder or by his or her duly authorized attorney-in-fact. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise provided in the proxy. Subject to the provisions of Section 9 of this Article II, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

Section 9. Cumulative Voting. At each election of directors, every shareholder entitled to vote at such election shall have the right to vote, in person or by proxy, the number of shares owned by him or her for as many persons as there are directors to be elected and for whose election he or she has a right to vote, or to cumulate his or her votes by giving one candidate as many votes as the number of such directors multiplied by the number of his or her shares shall equal, or by distributing such votes on the same principal among any number of candidates.

Section 10. Waiver of Notice. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be equivalent to the giving of such notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting,

except when the person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 11. Informal Action by Shareholders. Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof. Such consent shall have the same effect as a unanimous vote of shareholders.

ARTICLE III

BOARD OF DIRECTORS

Section 1. Powers, Number, Qualifications and Election. The business and affairs of the Corporation shall be conducted by the Board of Directors, who shall number no less than one (1) nor more than ten (10), and until changed at an annual or special meeting of the shareholders, shall number one (1). The directors need not be residents of the State of Arizona nor shareholders of the Corporation and shall be elected at the annual meeting of the shareholders to serve until the next annual meeting of shareholders or until their successors have been elected and qualified.

Section 2. Regular Meetings. Immediately following each annual meeting of the shareholders, the Board of Directors shall hold a regular meeting for the election of officers and such other business as it deems appropriate. No notice of such meeting need be given.

Section 3. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any director. The person or persons authorized to call a special meeting of the Board of Directors may fix any place for holding any special meeting of the Board of Directors called by them. Notice of any special meeting shall be given at least five (5) days prior thereto by written notice delivered personally or mailed to each director at his or her business address or by telegram. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 4. Quorum. A majority of the number of directors then serving shall constitute a quorum for the transaction of business. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a majority of directors is present at a meeting, a majority of the directors then present may adjourn the meeting from time to time without further notice.

Section 5. Resignation of Director. Any director may resign his or her office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless the time be fixed in the resignation, and in such case it shall take effect from said date. The acceptance of the resignation shall not be required to make it effective.

Section 6. Removal of Director. At a meeting of the shareholders called expressly for that purpose, any director or the entire Board of Directors may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at any election of directors.

Section 7. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though not less than a quorum, or by a sole remaining director, and any director so chosen shall hold office until the next election of directors when his or her successor is elected and qualified. Any newly created directorship shall be deemed a vacancy. If the Board of Directors accepts the resignation of a director to take effect at a future time, it shall have the power to elect a successor to take office when the resignation becomes effective. In such case, the director so resigning shall not vote regarding the election of such successor director. No reduction in the authorized number of directors shall have the effect of removing a director prior to the expiration of his or her term of office.

Section 8. Compensation. By Resolution of the Board of Directors, the directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. The shareholders shall approve the payment of any and all compensation to the directors, except for the reimbursement of their expenses as set forth herein, prior to the payment thereof.

Section 9. Waiver of Notice. Whenever, under the provisions of these Bylaws, any notice is required to be given, a waiver thereof, in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

Section 10. Informal Action by Directors. Any action required to be taken at a meeting of the directors, or any action which may be taken at a meeting of the directors, may be taken without a meeting if all directors consent thereto in writing, setting forth the action so taken. Any action so taken shall be deemed taken by Resolution of the Board of Directors by a unanimous vote.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the Corporation shall consist of a President, one or more Vice-Presidents if so determined by the Board of Directors, the specific number thereof to be set by Resolution of the Board of Directors, a Secretary and a Treasurer, each of whom shall be elected by the Board of Directors at such time and in such manner as may be prescribed by these Bylaws. Such other officers and assistant officers and agents as may be deemed necessary may be elected or appointed by the Board of Directors or chosen in such other manner as may be prescribed by the Bylaws. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the first meeting of the Board of Directors after the annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be possible. Each officer shall hold office until his or her successor shall have been duly elected and shall have qualified or until his or her death, resignation or removal in the manner prescribed in these Bylaws.

Section 3. Removal of Officer. Any officer or agent of the Corporation may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served

thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 4. Resignation of Officer. Any officer may resign his or her office at any time, such resignation to be made in writing and to take effect from the time of its receipt by the Corporation, unless a time be fixed in the resignation, in which case said resignation shall take effect from that date. The acceptance of the resignation shall not be required to make it effective.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors for the unexpired portion of the term.

Section 6. President. The President shall preside at all meetings of the shareholders and of the directors of the Corporation. The President may sign and execute all authorized contracts, checks or other instruments or obligations in the name of the Corporation and, with the Secretary or an Assistant Secretary, may sign all certificates of stock of the Corporation. Subject to the decision of the Board of Directors, the President shall be in general charge of the property, business and affairs of the Corporation, and shall perform such additional duties and have such additional powers as may be assigned to him or her by the Board of Directors.

Section 7. Vice-President. Each Vice-President of the Corporation shall have such powers and perform such duties as may be assigned to him or her from time to time by the Board of Directors or as may be delegated to him or her by the President, including signing certificates of stock of the Corporation. Each Vice-President shall possess the powers, and may perform the duties, of the President in his or her absence or disability unless otherwise proscribed by the Board of Directors. In the event there may be more than one Vice-President, the Vice-President in the order of the election thereof shall possess the powers, and may perform the duties, of the President in his or her absence.

Section 8. Secretary. The Secretary shall keep a record in due form of the proceedings of all meetings of the shareholders, the directors and of all committees of the Board of Directors. The Secretary shall give all notices of the Corporation. All books, papers, stock registers and correspondence shall be kept in the office of the Corporation and, except as the same may be specifically placed in the custody of the Treasurer, shall be in the Secretary's charge and kept available for inspection by any member of the Board of Directors. The Secretary and/or Assistant Secretary, with the President or a Vice-President, may sign all certificates of stock and sign in the name of the Corporation such contracts as shall be authorized by the Board of Directors. The Secretary shall have such other duties and powers as may be assigned to him or her from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Secretaries, each of whom shall have such powers and shall perform such duties as shall be assigned by the Board of Directors or the President of the Corporation.

Section 9. Treasurer. The Treasurer shall keep a record of all monies received and paid out and all vouchers and receipts of the corporation. The Treasurer shall be in general charge of all valuables, checks and papers belonging to the Corporation except those under the control of the Secretary. The Treasurer shall have such other duties and powers as may be assigned to him or her from time to time by the Board of Directors. The Board of Directors may appoint one or more Assistant Treasurers, each of whom shall have such powers and perform such duties as may be assigned by the Board of Directors or the President of the Corporation.

Section 10. Delegation of Officers' Powers and Duties. In case of the temporary absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may delegate the powers and duties of such officer to any other officer or to any other director for the time specified, provided a majority of the entire Board of Directors concurs therein.

Section 11. Salaries. The salaries of the officers, employees and agents of the Corporation who are elected or appointed by the Board of Directors shall be fixed from time to time by the Board of Directors, and no officer, employee or agent shall be prevented from receiving such salary by virtue of the fact that he or she is also a director of the Corporation.

ARTICLE V

FISCAL YEAR

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

ARTICLE VI

DEPOSITORIES

The Board of Directors, from time to time, may select one or more banks or other financial institutions as depositories of the funds of the Corporation and may direct withdrawals at its pleasure.

ARTICLE VII

CERTIFICATES OF STOCK

Certificates of the shares of the Corporation shall be numbered consecutively, and a record of each shall be made as issued. Each certificate shall set forth the holder's name, the number of shares and shall be signed by the President or a Vice-President and countersigned by the Secretary or Assistant Secretary. Transfer of shares shall be made only on the books of the Corporation and the possession of a certificate of stock (as between the holder and the Corporation) shall not be regarded as vesting any ownership in any person other than the registered owner until transfer thereof is duly made on the books of the Corporation by the holder in person or by his attorney-in-fact. The Board of Directors shall have the power and authority to make such rules and regulations as it may deem expedient concerning the issuance and transfer of certificates of shares of the Corporation.

ARTICLE VIII

STOCK TRANSFER LEDGER

The stock transfer ledger of the Corporation shall close for ten (10) days prior to any regular meeting of the shareholders and for ten (10) days prior to the date of payment of any dividend, the

allotment of rights or the exchange or conversion of stock. During such period, no shares shall be transferable and the list of the shareholders, as shown by the books, shall determine who shall be entitled to notice, to vote or to receive dividends or other rights or distributions.

ARTICLE IX

DIVIDENDS

The Board of Directors of the Corporation may, from time to time, declare, and the Corporation may pay, dividends in cash, property or its own shares, except when the Corporation is insolvent or when the payment thereof would render the Corporation insolvent or when the declaration or payment thereof would be contrary to any restriction contained in the Articles of Incorporation.

ARTICLE X

CORPORATE SEAL

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Corporation, the state of incorporation, the words "Corporate Seal" and the year of incorporation.

ARTICLE XI

INDEMNIFICATION

Indemnification of any person who incurs expenses by reason of the fact that he or she is or was an officer, director, employee or agent of the Corporation shall occur in the manner provided for indemnification in the Arizona Business Corporation Act.

ARTICLE XII

AMENDMENTS

Subject to the Articles of Incorporation, the Board of Directors shall have the power to make, alter, amend or repeal the Bylaws of the Corporation by a vote of a majority thereof. A majority of the shareholders of the Corporation may make, alter, amend or repeal the Bylaws of the Corporation at any annual or special meeting called for such purpose, and all Bylaws adopted by the directors may be altered or repealed by the shareholders at such meeting.

DATED this 2nd day of January, 1996.

BOX 1, INC.

ATTEST:

Rebecca C. Hiser
REBECCA CHISER, Secretary

By:

Robert J. Canfield
ROBERT J. CANFIELD, President

Arizona Department of Environmental Quality
Drinking Water Monitoring and Protection Unit
 Mail Code 5415B-2
 1110 West Washington Street
 Phoenix, AZ 85007

Drinking Water Compliance Status Report

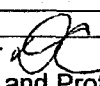
System Name	System Type	Is system consecutive?
LAZY C WATER SERVICES	<input checked="" type="checkbox"/> Community	<input checked="" type="checkbox"/> Yes,
System ID #	<input type="checkbox"/> Non-transient Non-community	to PWS # 10112
10065	<input type="checkbox"/> Transient Non-community	<input type="checkbox"/> No

Overall compliance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Monitoring and Reporting status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Comments: None		

Operation and Maintenance status	<input checked="" type="checkbox"/> No major deficiencies	<input type="checkbox"/> Major deficiencies
Date of last Sanitary Survey	3-18-05	Inspector James Jones, PDEQ
Major unresolved/ongoing operation and maintenance deficiencies:		
<div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> unable to maintain 20psi <input type="checkbox"/> cross connection/backflow problems <input type="checkbox"/> treatment deficiencies <input type="checkbox"/> certified operator </div> <div> <input type="checkbox"/> inadequate storage <input type="checkbox"/> surface water treatment rule <input type="checkbox"/> ATC/AOC <input type="checkbox"/> other = </div> </div>		
Comments: During the last sanitary survey, significant deficiencies were noted in the inspection related to management and operations. The system has addressed the need for a backflow prevention device and operator certification deficiencies.		

Is an ADEQ administrative order in effect?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
Comments: None				

System Information			
Population Served	350		
Service Connections	132		
Number of Entry Points to the Distribution System	2		
Number of Sources	2		
Initial Monitoring Year	1995		
Monitoring Assistance Program (MAP) System	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/> No

Evaluation completed by	Donna Calderon, Manager  Drinking Water Monitoring and Protection Unit		
Phone	602-771-4641	Date	July 26, 2010
<input checked="" type="checkbox"/>	Based upon data submitted by the water system, ADEQ has determined that this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and PWS is in compliance.		
<input type="checkbox"/>	Based upon the monitoring and reporting deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		
<input type="checkbox"/>	Based upon the operation and maintenance deficiencies noted above, ADEQ cannot determine if this system is currently delivering water that meets water quality standards required by 40 CFR 141/Arizona Administrative Code, Title 18, Chapter 4, and/or PWS is not in compliance.		

This compliance status report does not guarantee the water quality for this system in the future, and does not reflect the status of any other water system owned by this utility company.

ATTACHMENT "B"

PIMA	35	13 SOUTH	12 EAST
COUNTY	SECTION	TOWNSHIP	RANGE

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

EXISTING
LAZY C WATER
SERVICE

NEW EXTENSION
50 ACRES
EXTENSION OF CCN

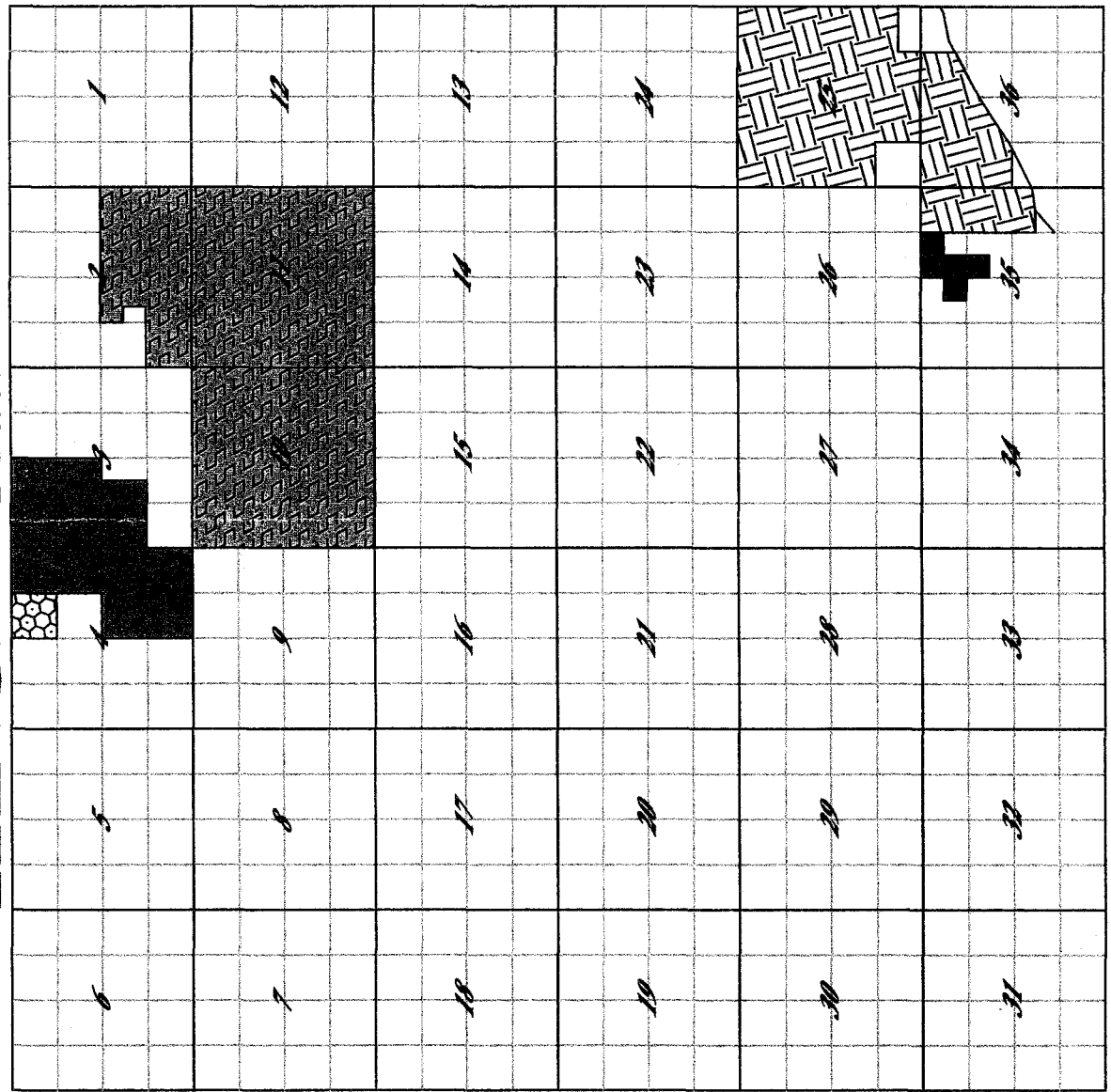
Type or Print Description Here:






NW 1/4 OF SW 1/4 OF NE 1/4 & SW 1/4 OF NW 1/4 OF NE 1/4
& N 1/2 OF NW 1/4 OF NE 1/4 & SE 1/4 OF NE 1/4 OF NW 1/4
ALL IN SEC 35, TWP 13S, R 12E, Q 4SR B+M (Pima County)

COUNTY Pima

RANGE 12 East

TOWNSHIP 13 South



-  W-1536 (2)
Lazy C Water Service
-  W-1998 (1)
Picture Rocks Water Company
-  (4)
Town of Marana (Nonjurisdictional)
-  (8)
City of Tucson (Nonjurisdictional)
- 
Lazy C Water Service
Docket No. W-01536A-06-0342-OLD - failed
Application for Extension



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552 OR 798-1514

5 January 2009

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

I am writing to formally request that my property be added to Lazy C Water District's Certificate of Convenience and Necessity. A Lazy C supply line runs along the border of this property. The property's legal parcel descriptions, with book-map-parcel designations, are

SW4 NW4 NE4 SEC 35-13-12 :: 214-54-0240 :: 10 acres, deed-restricted
(with 1-house built in 1996, owner-occupied; no more houses allowed)
NW4 SW4 NE4 SEC 35-13-12 :: 214-54-0340 :: 10 acres, deed-restricted
(with 1-house built in 1996, maintained as a rental; no more houses allowed)
N2 NW4 NE4 SEC 35-13-12 :: 214-54-0230 :: 20 acres, deed-restricted
(vacant land with a 2-house maximum)
SE4 NE4 NW4 SEC 35-13-12 :: 214-54-0270 :: 10 acres
(vacant land with a 3-house maximum)

Tight deed restrictions limit development to one house per 10 acres on the first three parcels in the list above. The last parcel in this list is not deed-restricted and falls under zoning of one house per 3.3 acres.

Thank you for considering this request, and if you have any questions don't hesitate to call.

I look forward to hearing from you soon.

With kind regards,

Thomas Wiewandt
tom@wildhorizons.com



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552

20 May 2010

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

When my 500-ft-deep well went dry 13 years ago, I had a decision to make: either drill another hole or ask Lazy C for water service. Either way, our up-front installation cost would have been about the same. Connecting to your main waterline that borders my property seemed to be a safer long-term solution, and you were kind enough to offer me Lazy C water.

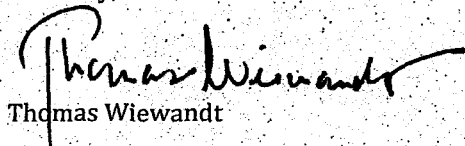
Eight years later, a real estate appraiser lowered the value of this property because our metered waterline had never been officially approved and recorded by the Corporation Commission. Until then, I was unaware that such prior-authorization is required. So to safeguard my present and future water needs, in 2005, I asked for a "Certificate of Convenience and Necessity."

I've tried to be patient, but four years and three formal requests later, we are still waiting for approval. Personally, I can't understand why so much effort and paperwork is required for this Certificate. I have no intentions of developing a subdivision here, and as you know, I'm doing my best to provide long-term protection for most of this spectacular tract of Sonoran Desert. It serves as an important wildlife corridor between Saguaro National Park West and Sweetwater Preserve. At this point, I can assure you that our demand for water will never exceed that needed for 3 home sites, a reduction from my original request. And if it will expedite our application, I'm fully prepared to sign a guarantee that our needs will never exceed this allotment.

All I'm requesting is official permission to be added to your certificated water area to secure my long-term interests in protecting this 50-acre property from wildcat development and additional well-drilling. In the face of Tucson's explosive growth in the years ahead, in my opinion, the highest and best use of this land is maintaining it in a natural state for the preservation of its wildlife and scenic beauty. In fact, I've added forty acres of this property to the list for acquisition by the National Park Service in the next boundary expansion of Saguaro National Park.

I would greatly appreciate immediate action to re-file this request with the Corporation Commission. Please keep in mind that the Corporation Commission requires your response within 30 days of their reply. And I would be happy to offer my assistance if needed.

Sincerely,



Thomas Wiewandt

email: tom@wildhorizons.com



POST OFFICE BOX 5118

TUCSON, ARIZONA 85703-0118 USA

PHONE (520) 743-4551

FAX (520) 743-4552

20 May 2010

Robert Canfield
Lazy C Water Service
P. O. Box 1
Tucson, AZ 85702

Dear Mr. Canfield:

Once again, I am writing to ask that my property be added to Lazy C Water District's Certificate of Convenience and Necessity. We initiated this request with the Corporation Commission **more than four years ago**, back in December 2005. In the following years we submitted three more official requests, all of which have fallen by the wayside. And our need remains today.

To clarify my intentions, and hopefully to simplify the processing of our application, I am reducing the maximum number of home sites from 7 to 3 on 50 acres of land. And if it will expedite our application, I'm fully prepared to sign a guarantee that our needs will never exceed this allotment if I can achieve my goal to protect most of this acreage (40 acres) in a natural state as a bridge between Saguaro National Park West and Sweetwater Preserve, a conservation effort that has been underway for about three years.

As you know, creating a subdivision was never my intent. I live on this property, my well went dry 13 years ago, and I would like to be officially added to your certificated water area to secure my long-term interests in protecting this 50-acre property from wildcat development and additional well-drilling.

A Lazy C main line runs along the border of my property. The property's legal parcel descriptions, with book-map-parcel designations, are

SW4 NW4 NE4 SEC 35-13-12 :: 214-54-0240 :: 10 acres

NW4 SW4 NE4 SEC 35-13-12 :: 214-54-0340 :: 10 acres

N2 NW4 NE4 SEC 35-13-12 :: 214-54-0230 :: 20 acres

SE4 NE4 NW4 SEC 35-13-12 :: 214-54-0270 :: 10 acres

Thank you for giving my 2010 request your prompt attention and follow-up. If there is anything I can do to help, don't hesitate to call.

I look forward to hearing from you soon.

With kind regards,

Thomas Wiewandt
tom@wildhorizons.com

ATTACHMENT "C"

PROFORMA BALANCE SHEET (WATER)

ASSETS

Current Assets

Cash

\$5,444.39

Accounts Receivable

3,147.20

Other

Total Current Assets

8,591.59

Fixed Assets

Utility Plant in Service

389,808

(Less) Accumulated Depreciation

85,575

Net Plant in Service

Other

TOTAL ASSETS

\$313,512

LIABILITIES AND CAPITAL

Current and Accrued Liabilities

Accounts Payable

\$ —

Notes Payable

—

Accrued Taxes

—

Accrued Interest

—

Other

—

Total Current and Accrued Liabilities

—

Long-Term Debt

\$ —

Other

—

Deferred Credits

Advances in Aid of Construction	\$ <u>—</u>
Contributions in Aid of Construction	<u>—</u>
Accumulated Deferred Income Tax	<u>—</u>
Total Deferred Credits	\$ <u>—</u>
TOTAL LIABILITIES	\$ <u>0</u>

CAPITAL ACCOUNT

Common Stock	\$ <u>10,000</u>
Preferred	<u>—</u>
Paid in Capital	<u>5,767</u>
Retained Earnings	<u>10,658</u>
Total Capital	\$ <u>26,425</u>
TOTAL LIABILITIES AND CAPITAL	\$ <u>26,425</u>

**STATE OF ARIZONA
DEPARTMENT OF WATER RESOURCES
CERTIFICATE OF ASSURED WATER SUPPLY**

This is to certify that

First American Title Insurance Company, a California corporation, as Trustee under Trust No. 9205, owner, with WV, LLC, an Arizona limited liability company, Puerto Partners, LLC, an Arizona limited liability company, MCJLA, LLC, an Arizona limited liability company, and DMAM Properties, LLC, an Arizona limited liability company, beneficiaries, and with Pepper Viner Group LTD, an Arizona corporation and Pepper Viner at Sweetwater Canyon, LLC, an Arizona limited liability company, future beneficiaries

have met the requirements of A.R.S. §§ 45-576 and the applicable regulations, and

By powers vested in the Director of the Arizona Department of Water Resources by the State of Arizona, and subject to the conditions contained in the applicable regulations,

Are issued this Certificate of Assured Water Supply for

**Sweetwater Canyon, Lots 1-46 and Common Areas A & B
Township 13 South, Range 12 East, Section 25
GSRB&M Pima County, TUCSON Active Management Area**

Sufficient water of adequate quality will be continuously available to satisfy the water demand of the referenced subdivision for at least one hundred years. The referenced subdivision consists of **46 lots** as described in the preliminary plat on file with the Department, and has an estimated water demand of **19.47 acre-feet per year**. The subdivision will be served **groundwater** by **Lazy C Water Service**.

This Certificate is invalid as to any entity not named above.
This Certificate may be assigned pursuant to A.A.C. R12-15-705.

Certificate Number: 27-500012.0000



ARIZONA DEPARTMENT OF WATER RESOURCES

Andrea Tubert-Whitney
Assistant Director

26 APRIL 2007
Date

TYPE A CERTIFICATE

